



STATE OF DELAWARE

**PUBLIC SERVICE COMMISSION**

861 SILVER LAKE BLVD.  
CANNON BUILDING, SUITE 100  
DOVER, DELAWARE 19904

**MEMORANDUM**

**TO:** The Chairman and Members of the Commission

**FROM:** Renay Edge, Public Utility Analyst

**DATE:** March 15, 2019

**SUBJECT:** IN THE MATTER OF THE APPLICATION OF TIDEWATER UTILITIES, INC. FOR APPROVAL PURSUANT TO 26 DEL. C. §215 TO ENTER INTO A LONG-TERM DEBT OBLIGATION (FILED FEBRUARY 20, 2018); AMENDMENT (FILED MARCH 11, 2019)- PSC DOCKET NO. 18-0125

**The Application:**

On February 20, 2018, Tidewater Utilities, Inc. ("Tidewater" or the "Company") filed an application (the "Application") pursuant to 26 Del. C. § 215(a)(2) requesting approval of the issuance of a long-term debt obligation in the principal amount of up to \$933,300 with a fixed interest rate of 2.0 % from the Delaware Drinking Water State Revolving Fund (the "SRF Loan"). On March 13, 2018, in Order No. 9196, the Delaware Public Service Commission ("Commission") approved Tidewater's request.

**The Amendment:**

On March 11, 2019, Tidewater filed an amendment letter ("Amendment") pursuant to 26 Del. C. § 215(e)(3) seeking Commission approval of an amendment to the financing plan previously approved by the Commission in Order No. 9196. Tidewater requests Commission approval of the amendment due to actual construction bid costs being in excess of projected estimates for the project. Based on the actual construction bids received, Tidewater now estimates that it will require approval of an SRF Loan with a principal amount of \$1,696,455 and

is therefore requesting Commission approval of an amendment of the principal amount previously approved in Order No. 9196.

Tidewater now estimates that it will require approval of an SRF Loan with a principal amount of \$1,696,455, due to the complexity of the project. The actual bids include construction with a lack of good drawings on existing infrastructure and working within narrow rights-of-way while maintaining active customer service and is therefore seeking an amendment of Order No. 9196 previously approved by the Commission

The new requested loan amount of \$1,696,455 has been calculated in summary by three sections as seen in the attached documents (Exhibit A). Melcar's construction bid of \$1,575,038.40 (Exhibit B), meters, remote read and meter pits supplies cost of \$37,375.00 and third party engineering at a cost of \$84,041.70 give the new total of \$1,696,455. The new loan would increase the already approved loan of \$933,300 by \$763,155.

Staff Recommendations:

Staff reviewed the Amendment to ensure compliance with the statutory provisions of 26 Del. C. § 215(e)(3) and the Minimum Filing Requirements for All Regulated Companies Subject to the Jurisdiction of the Public Service Commission, 26 *Del. Admin. C.* §1002. No errors or omissions were found. Tidewater has filed with the Commission the necessary documentation to support their request for an amendment to the original application in accordance with 26 Del. C. § 215(e)(3). In accordance with 26 Del. C. § 215(e)(3), Staff finds no basis for denial and, therefore, respectfully recommends that the Commission grant Tidewater's request to increase the SRF Loan amount approved by the Commission in PSC Order No. 9196 to \$1,696,455.